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JUL 5 1956

The Honorable James C. Davis, Chairman  
Subcommittee on Manpower Utilization and  
Departmental Personnel Management of  
Committee on Post Office and Civil Service  
U. S. House of Representatives  
Washington 25, D. C.

Dear Mr. Chairman:

I am pleased to comply with the request made in your letter of 17 May 1956 that a special report on this Agency's Manpower Utilization Program be submitted by 6 July 1956. I hope that the following summary will be adequate for your purposes:

Results Achieved From 1 January to 30 June 1956:

We have continued to study a number of areas in which we think savings may be possible. These involve problems which we can study and resolve on our own responsibility, as well as those involving one or more other agencies. Two internal studies have been completed which resulted in conclusions that we could not effect savings by combining functions in one case and by contracting for services in another. Certain procedural changes in still another area have resulted in a saving of 12 positions. The majority of the studies which we advised you of earlier are, however, not yet completed.

Current Status of Program:

Studies continue by specially appointed task forces and the Management Staff of all areas in which we think savings possible. Plans are under way and detailed studies are in process to effect substantial reductions in two specific organizational components of the Agency. Increased emphasis is being placed on the use of business machines. In one particular area we believe the installation of machines now in process will effect significant savings.

Proposed Program for First Six Months of Fiscal Year 1957:

Continue actions mentioned above under "Current Status of Program." Study new areas that may develop. Continue to experiment with a new staffing pattern in one component of the Agency and install it in other components as the system is perfected. In addition, scrutiny of manpower utilization in all components of the Agency is a continuing process wherein we systematically translate the functional requirements into needed personnel on a strict work-burden basis.

Due to the fact that this Agency has been required to undertake important new assignments in recent months it has been necessary to authorize some increase in our total personnel; in fact, our numbers are slightly greater than they were on 31 December 1955. Our effort, however, has been and will continue to be in the direction of reducing personnel whenever possible without reducing the effectiveness of our work.

Since this report will be appended to your Subcommittee's published report of 30 June 1956, I am sure you appreciate that the security aspects of our work preclude going into very much detail. However, I would be glad to discuss our Program with you in whatever detail you feel appropriate.

Sincerely,

Allen W. Dulles  
Director

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CONCUR:

15/  
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